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Shultz States New Case for Covert Aid to Rebels

By Joanne Omang Washington Post Staff Writer

The Reagan administration yesterday went to the House with its new case for more covert aid to Nicaraguan rebels, arguing that rebels should continue to harass Managua as long as Managua is harassing U.S. friends in the region.

Secretary of State George P. Shultz and CIA Director William J. Casey briefed the House Intelligence Committee privately on the administration's new "finding" of need for the aid, which the House voted to eliminate in July. But the Senate has not concurred, and the issue is up for consideration again in a bill to fund intelligence operations in fiscal 1984, which begins Oct. 1.

A participant in the meeting said the members of Congress "listened politely, in some cases with skepticism," asked some questions but engaged in no heated debate.

Another participant said it was highly unlikely that the new approach would convince the Intelligence Committee to change its position against the aid. No House action is expected on the measure until next month.

The administration's new rationale for covert aid was demanded by the Senate Intelligence Committee as a condition for continuing funding

after Oct. 1. Senators on the committee who heard Casey and Shultz's presentation Tuesday spent an hour discussing it yesterday and are expected to give it formal approval today.

The new position expands on the administration's previous argument that covert aid was only being used to halt the arms flow from Nicaragua to leftist guerrillas in El Salvador. Now the aid is to be aimed at causing a change in overall Nicaraguan policy in the region, which the administration says is defined by the Nicaraguan slogan, "Revolution without frontiers."

At an earlier hearing of the House committee yesterday, former CIA director Stansfield Turner said there is "no question that you can and should back out of [covert activity in] Nicaragua, and you should force the administration to back out."

But he opposed legislation that would require future paramilitary and military covert operations to be approved in advance by the two Intelligence committees, saying it "clearly transcends the intent of the Constitution" and would be "one more straw on the camel's back" of congressional oversight.

"There are covert operations that would be very helpful to this country that would have to be ruled out" under the proposals, including emergency actions, Turner said. The bill's sponsor, Rep. Wyche Fowler Jr. (D-Ga.), said changes are

Rep. Wyche Fowler Jr. (D-Ga.), said changes are planned that would exempt emergency projects. At the moment, he said, "Congress and the public think we [on the committee] are accountable but we are not."

Turner and former senator Birch Bayh (D-Ind.), who favored the legislation, both recommended that the committee attach restrictions on the contingency reserve fund, the CIA's secret budget, when it authorizes appropriations.

Morton H. Halperin, director of the Center for National Security Studies, said new controls are necessary because covert actions, which were once used only as a last resort, "are now just one of the options on the shelf."

In a related development, a spokesman for the Kissinger commission on Central America, which is expected to recommend a long-term policy for the region in February, said the members will begin their first visit to the area Oct. 9 in Panama City, with one-day stops in Costa Rica, El Salvador, Guatemala and Honduras. A final stop in Nicaragua "still is undecided," he said.

He said the 12 members had decided to travel together rather than in small groups staying longer in separate places, as was proposed earlier.